Washington State Institute for Public Policy

Benefit-Cost Results

Correctional industries in prison

Benefit-cost estimates updated December 2015. Literature review updated August 2015.

Current estimates replace old estimates. Numbers will change over time as a result of model inputs and monetization methods.

The WSIPP benefit-cost analysis examines, on an apples-to-apples basis, the monetary value of programs or policies to determine whether the benefits from the program exceed its costs. WSIPP's research approach to identifying evidence-based programs and policies has three main steps. First, we determine "what works" (and what does not work) to improve outcomes using a statistical technique called meta-analysis. Second, we calculate whether the benefits of a program exceed its costs. Third, we estimate the risk of investing in a program by testing the sensitivity of our results. For more detail on our methods, see our technical documentation.

Program Description: Correctional industries are prison jobs where offenders earn a wage for their work. In this broad grouping of programs, industries can include private sector, non-profit, or institutional support jobs.

Benefit-Cost Summary

Program benefits	
Participants	$0
Taxpayers	$2,057
Other (1)	$4,048
Other (2)	$286
Total	$6,391
Costs	($1,486)
Benefits minus cost	$4,905

Summary statistics	
Benefit to cost ratio	$4.30
Benefits minus costs	$4,905
Probability of a positive net present value	100 %

The estimates shown are present value, life cycle benefits and costs. All dollars are expressed in the base year chosen for this analysis (2014). The economic discount rates and other relevant parameters are described in our technical documentation.

Detailed Monetary Benefit Estimates

Source of benefits	Benefits to: Participants	Taxpayers	Other (1)	Other (2)	Total benefits
From primary participant					
Crime	$0	$2,056	$4,047	$1,025	$7,128
Adjustment for deadweight cost of program	$0	$1	$1	($739)	($737)
Totals	$0	$2,057	$4,048	$286	$6,391

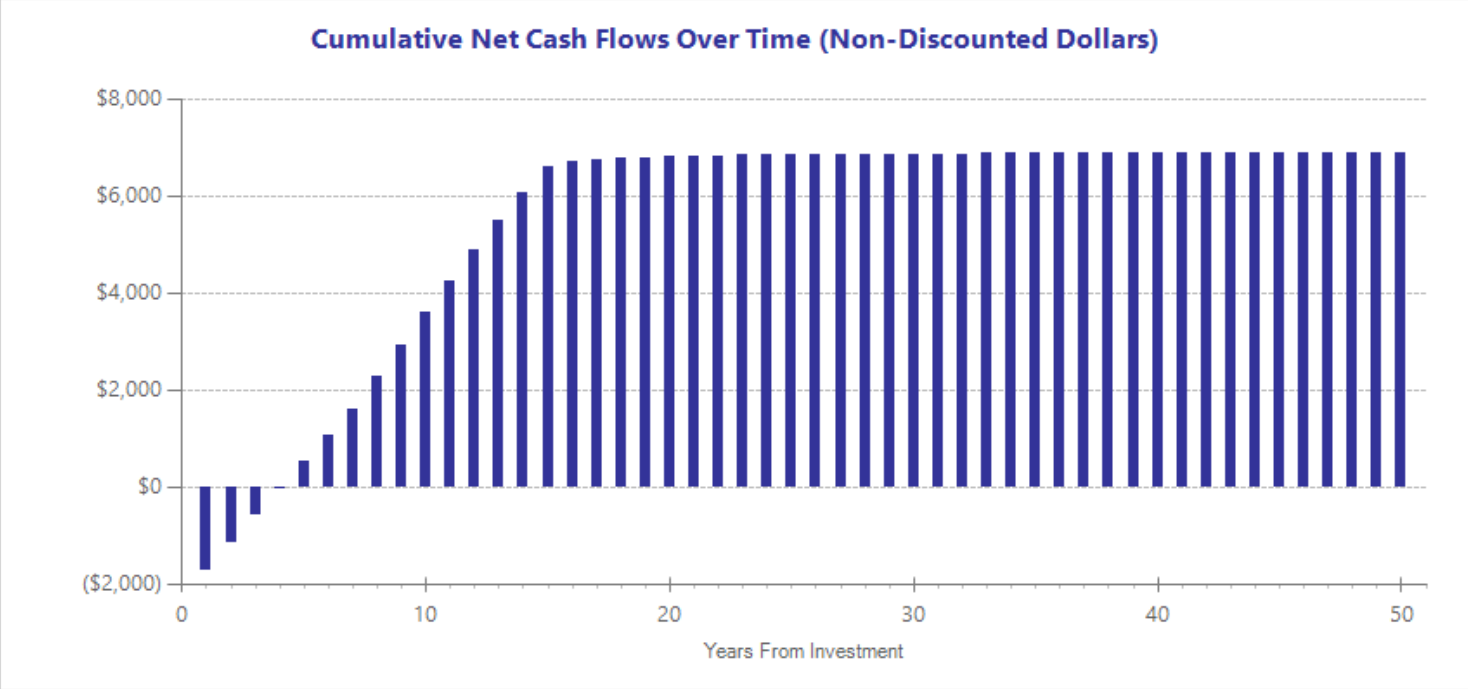
We created the two "other" categories to report results that do not fit neatly in the "participant" or "taxpayer" perspectives. In the "Other (1)" category we include the benefits of reductions in crime victimization, the economic spillover benefits of improvement in human capital outcomes, and the benefits from private or employer-paid health insurance. In the "Other (2)" category we include estimates of the net changes in the value of a statistical life and net changes in the deadweight costs of taxation.

Detailed Cost Estimates

	Annual cost	Program duration	Year dollars	Summary statistics	
Program costs	$1,387	1	2010	Present value of net program costs (in 2014 dollars)	($1,486)
Comparison costs	$0	0	2010	Uncertainty (+ or - %)	10 %

Estimate provided by the Washington State Department of Corrections.

The figures shown are estimates of the costs to implement programs in Washington. The comparison group costs reflect either no treatment or treatment as usual, depending on how effect sizes were calculated in the meta analysis. The uncertainty range is used in Monte Carlo risk analysis, described in our technical documentation.



Meta-Analysis of Program Effects

Outcomes measured	Primary or secondary participant	No. of effect sizes	Treatment N	Unadjusted effect size (random effects model)		Adjusted effect sizes and standard errors used in the benefit-cost analysis					
						First time ES is estimated			Second time ES is estimated		
				ES	p-value	ES	SE	Age	ES	SE	Age
Crime	Primary	11	11124	-0.082	0.001	-0.078	0.020	38	-0.078	0.020	48

Citations Used in the Meta-Analysis

Berk, J.A. (2009). Essays on work and education: Behind bars and in the free world. *Dissertation Abstracts International, 69*(11), A.

Bohmert, M.N., & Duwe, G. (2012). Minnesota's Affordable Homes Program: Evaluating the effects of a prison work program on recidivism, employment and cost avoidance. *Criminal Justice Policy Review, 23*(3), 327-351.

Cox, R.J.A. (2009). *An economic analysis of prison labor.* Atlanta, Ga: Georgia State University.

Drake, E.K. (2003). *Class I impacts: Work during incarceration and its effects on post-prison employment patterns and recidivism*. Olympia, WA: Washington State Department of Corrections, Planning and Research Section.

Hopper, J.D. (2009). The effects of private prison labor program participation on inmate recidivism. *Dissertation Abstracts International, 69*(07), A.

Maguire, K.E., Flanagan, T.J., & Thornberry, T.P. (1988). Prison labor and recidivism. *Journal of Quantitative Criminology, 4*(1), 3-18.

Saylor, W.G., & Gaes, G.G. (1996). *PREP: Training inmates through industrial work participation, and vocational and apprenticeship instruction*. Washington, DC: United States Federal Bureau of Prisons.

Smith, C.J., Bechtel, J., Patrick, A., Smith, R.R., & Wilson-Gentry, L. (2006). *Correctional Industries preparing inmates for re-entry: Recidivism & post-release employment*. (Retrieved from United States Department of Justice database; Document No. 214608)

Soderstrom, I.R., Minor, K.I., Castellano, T.C., & Adams, J.L. (2001). *An evaluation of a state's correctional industries program*. Paper presented at the annual meeting of the Academy of Criminal Justice Sciences, Washington, DC.

For further information, contact:
(360) 586-2677, institute@wsipp.wa.gov

Printed on 01-09-2016